tion during the war period to the peace period seems to be extraordinarily short-sighted from the point of view of the nation's economic progress. Recovery after the war may be astonishingly rapid if all goes well, but this can only happen if every opportunity is given to industry to get back to peace work with the least possible friction, and a heavy burden of after-war taxation, such as we shall inevitably have to face if our Chancellors of the Exchequer continue to pile up the debt charge as they have done in the past, will be anything but helpful to those whose business it will be to set the machinery of industry going under peace conditions.

As things are, if we continue to add anything like £2000 millions a year to the National Debt, it will not be possible to balance the after-war Budget without taxation on a heavier scale than is now imposed, or without retaining the Excess Profit Duty, and so stifling industry at a time when it will need all the fresh air that it can get. Apart from this expedient, which would seem to be disastrous from the point* of view of its effect upon fresh industry, the most widely advertised alternative is the capital levy, the objections to which are patent to all business men. It would involve an enormously costly and tedious process of valuation, its yield would be problematical, and it might easily deal a

blow at the incentive to save on which the supply of capital after the war entirely depends. A much higher rate of income tax, especially on large tecomes, is another solution of the problem, and it also might obviously have most unfortunate